



BUYING A PRE-OWNED VEHICLE

***EVERYTHING YOU NEED TO KNOW ABOUT
PURCHASING A USED CAR, TRUCK, OR SUV.***





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INTRODUCTION

Buying a used car can be extremely stressful, time-consuming, and tiresome. Nobody enjoys the mountain of paperwork, the hours of research, or the haggling that comes with it.

We've created this comprehensive guide as a resource for anyone considering buying a pre-owned vehicle. Inside, you'll find information, resources, and advice to help you plan out and purchase a reliable used car at a fair price.

"HOW MUCH OF THIS DO I ACTUALLY NEED TO READ?"

Maybe you already know how to do the research. Perhaps you already know how to negotiate to get the best deal. You might even know what to look for during the pre-purchase inspection. That's great!

This guide's purpose isn't to bore you to tears while you pick through it and try to find the sections relevant to you. There's probably a couple of things here that you won't need to go over. We've laid out this document to follow a chronological order typical of a consumer's experience as they look for a new vehicle.

Throughout this document, we'll recommend various websites and tools that can help you during your search. We'll make sure to link these resources along the way, but if you'd rather see them all nice and orderly in one place, you can skip to the end of this document. There, we've compiled and organized these resources for you to reference whenever you need them.



BEFORE THE PURCHASE

Purchasing a car is a considerable investment that requires plenty of planning and patience. A big part of making sure you get a vehicle that you're delighted with at a price that you're comfortable with is the amount of time and effort you put into researching your different options. No matter how much you may or may not know about cars, the important thing is to learn as much as you possibly can about the vehicle you're considering purchasing.



PLANNING A BUDGET

WHAT CAN I AFFORD?

The cost of purchasing a car comes down to four main things - the amount of money you will spend on the down payment, the interest rate, the length of time you plan to finance the vehicle, and how much it will cost you to upkeep the car. A rule of thumb that you'll hear a lot of people reference is the "20/4/10 Rule." This rule says that you should never purchase a used vehicle without putting at least 20% down, never finance a car or truck for more than four years, and not allow your monthly vehicle expenses (monthly payment + interest and insurance) to exceed 10% of your income. You can also skip the math and use an affordability calculator to plan your budget, but we'll get to more on that here soon.

THE COST OF OWNERSHIP

- **Down Payment & Monthly Payment:** The down payment is the apparent cost, but don't forget about the payment you'll have to make each month to keep the car in your name.
- **Total Cost of Interest:** Your interest rate is typically calculated using this information: the base rate, a lender's policies and your own credit history. The most important thing you can do to save money on an auto loan is to shop for the best auto loan rate before you set foot in a dealership. Being armed with this information tells you what kind of rate you qualify for before you try to buy a vehicle. Don't get tricked into high interest rates.
- **Insurance Rates:** Driving without insurance is not only illegal in all 50 states, but doing so can result in severe penalties. Depending on which state you live in, you may be subject to hefty fines or a suspension of your license.
- **Maintenance and Repairs:** The cost of maintenance is a critical factor in determining the vehicle's cost of ownership. Imported cars cost more to maintain than domestic vehicles because the parts for them are more difficult to source.

AFFORDABILITY CALCULATORS

An affordability calculator helps you get an idea of how much money you can responsibly spend on a vehicle without putting yourself in serious financial jeopardy. Most affordability calculators are based on the “20/4/10 Rule”, which states that when financing a car you should:

- Make a down payment of at least **20%** of the total cost
- NEVER finance a car for more than **4 years** at a time
- Don't let your total monthly vehicle expenses (principal payment, interest, and insurance) get higher than **10%** of your gross income.

Some of our favorite online affordability calculators include:

- Cars.com - <https://www.cars.com/car-affordability-calculator/>
- Edmunds - <https://www.edmunds.com/calculators/affordability.html>
- Lending Tree - <https://www.lendingtree.com/auto/calculators/affordability/>



THE DIFFERENT TYPES OF USED CAR SALES

Independent Dealers - Most big brand name dealerships also have an extensive used car section on their lot.

Car Superstores - Most car superstores don't allow any type of negotiating or haggling when it comes to pricing.

“Buy Here, Pay Here” Dealers - These types of dealerships are set up so that any financing on a newly purchased used vehicle is handled by the dealership itself. Although it may seem like an attractive option for potential buyers with poor credit, these dealerships are usually set up to try and take advantage of people in these situations. With interest rates that are exponentially higher than what you find in most auto loans and severe consequences for not paying on time, buyers often end up defaulting on their loan with the dealership. We strongly advise against shopping at these kinds of places unless you can afford to buy a car at full price on the spot.

Private Party Sellers - A private party sale is a one-time transaction between two individuals. This includes sales between family members and friends as well as the transactions that are set up via online message boards and public forums. Any vehicles advertised as "for sale by owner" usually fall in this category.

***A Special Note About the Advantages of Certified Pre-Owned Vehicles** - When shopping for a used car, truck, or SUV, you'll frequently run across the term "Certified Pre-Owned" during your search. Used vehicles with the CPO moniker are certified by dealers in accordance with the auto manufacturer's specifications. In order to be labeled as certified pre-owned, the vehicle must undergo an extensive multipoint inspection on hundreds of parts and systems to be sure that it meets the minimum requirements for safety and functionality. Certified pre-owned cars also usually include an extended warranty that offers comprehensive coverage that's backed by either the vehicle manufacturer or the dealer.

CHECKING THE LOCAL MARKET

Checking the local market helps you get a good ballpark estimate of what you can expect to pay for a used vehicle. When it comes to researching prices, a few tried and true tools we recommend include:

- [Kelley Blue Book](#)
- [NADA Guides](#)
- [Autotrader](#)
- [CarGurus](#)

In order to get the most out of your research, make sure that you're comparing prices between vehicles of the same model, year, and mileage as the one you're interested in. This way, you can get accurate information about what other people are paying for the same car, truck, or SUV.

CHECKING A VEHICLE'S HISTORY

Checking the history of the exact vehicle you're thinking of buying is one of the most important parts of the used car buying process. Vehicle history reports are extremely helpful in helping you narrow down your decision because they contain a wealth of information about the vehicle that you won't be able to find any other way.



HOW TO GET A VEHICLE HISTORY REPORT

The easiest and simplest way to get a vehicle history report is to use one of the many online services that are available for consumers to take advantage of. Some of the most well-known and widely used services include [Carfax](#), [AutoCheck](#), [AutoFax](#), [VINSmart](#), and [VINCheck®](#). These online tools conduct extensive background searches on specific Vehicle Identification Numbers (VINs) and give you important information on the car, such as whether or not a vehicle was reported as totaled, salvaged, stolen, or flooded.

WHAT'S IN A VEHICLE HISTORY REPORT

- › Accident & collision information
- › The number of previous owners
- › Important information about the vehicle's title history
- › The last reported odometer reading
- › The service history of the vehicle
- › The last inspection and the registration status of the vehicle
- › Any applicable recalls that have been announced for the vehicle's make/model

WHAT'S NOT IN A VEHICLE HISTORY REPORT

Anything that's happened since the last reported event and when you got the report will NOT be included in the vehicle history report. While it's technically possible for a vehicle to be in a major accident, get rebuilt, and sold before any mention of the crash can make its way to the reporting companies that generate vehicle history reports, it's not very likely. Just keep in mind that even though the reporting companies work hard to keep their information up-to-date, this isn't always completely possible for every vehicle.

A vehicle history report does NOT give you insight into the mechanical condition of the car. It simply gives you insight into how often the previous owner(s) serviced the vehicle and when the last recorded servicing occurred.

While you can check to see how many previous owners the vehicle you're interested in has had, you WILL NOT be able to see any personal information about the previous owner(s).

DURING THE PURCHASE PROCESS





TEST DRIVING - WHAT TO FEEL, LISTEN, AND LOOK FOR

During a test drive, not only are you looking for any potential problems with the vehicle's various parts and systems, but you're also evaluating the overall drivability and comfort-level of the vehicle as a whole. Some key questions to ask yourself during the test drive are:

- › If you have children, is there enough room for a car seat?
- › If you regularly haul cargo, is there appropriate room to do so?
- › Is there enough leg room for you and any passengers that may be accompanying you?
- › How noisy or quiet is the cabin?
- › Do the audio and power connections suit your needs? (BlueTooth, Satellite Radio, AUX Cord, Power Adaptor, etc.)
- › How user-friendly are the climate control, console, and user interface?
- › Does the vehicle have the features and amenities you're looking for?
- › How easy is the vehicle to park?
- › How is your visibility from the driver's seat?
- › Does the vehicle feel comfortable for you to drive?
- › How sensitive are the brakes and the accelerator?
- › Does the car handle well through turns and curves?
- › Can I see myself driving this car every day until I decide to buy a new one?



FINANCING AND NEGOTIATING DOWN THE PRICE

When you finally sit down with the seller to discuss the purchase in detail, you'll want to make sure you're well-equipped to get the best deal you possibly can. Here are a few tips to keep in mind when trying to get the best possible price for the vehicle you're interested in.

Pre-Purchase Inspections Help: As we stated earlier, you should always make sure and have a pre-purchase inspection conducted on any used vehicle you're thinking of buying. Not only will this stop you from buying a potential clunker, but can also save you some money at the negotiation table. Did your mechanic find a small, but patchable, leak in the tire? Is the vehicle due for a major service? Perhaps your technician advised you that the vehicle would need new brakes some time in the next 2,000 miles? All of these are potential bargaining points you can use during negotiations to try and get the seller to come down on the price.

Timing Can Help: If negotiating with a dealership or used car lot, try and follow-up with a salesperson you've talked with previously roughly an hour before they close on a Saturday or Sunday night. The chance for the salesperson to make one more sale before closing time might make them more likely to lower the price. You may also have better luck trying to negotiate down the price during the last few days of the month. The sales managers and salespeople at the dealership are under constant pressure to make as many deals happen as they can before the month closes out. A deal that might not have made sense earlier in the month might make a lot more sense if the dealership hasn't met their sales quota toward the end of the month.

Play Up the Competition: When shopping for a vehicle, you can always pit different sellers against each other as a way to potentially lower the price of a vehicle you're interested in. You can do so by taking a quote from one dealership, taking it to another dealership that quoted you a higher price, and giving them the opportunity to match or beat the price of the other guy. You can keep bouncing from one dealer to another until you've reached a price that's closer to what you want to see.

Warranties and Dealer Add-Ons: While private sellers usually don't provide any sort of additional protection, dealers often offer additional warranties, maintenance plans, or coverage options to anyone who purchases a used vehicle from them. On very rare occasions these add-ons can be worth the money, but we generally advise steering clear of these extra options. Usually, the costs of any repairs you'll need will total less than the cost of the warranty itself. Informing the salesperson that you won't be spending money on any extra bells and whistles will help you cut down the price even further.



AFTER THE PURCHASE



REGISTERING YOUR VEHICLE IN FLORIDA

The consequences of not registering your vehicle will vary based on where you live. Before you can **legally drive your newly purchased vehicle in Florida**, you'll need to register it with the **FLHSMV**. The penalties for driving without a registration in The Sunshine State can vary from a \$500 fine, up to six months probation or even 60 days in jail.

If you buy a used vehicle from a dealer, then the dealership will handle the new car registration on your behalf. While you don't have to worry about the initial registration when purchasing from a dealer, you will need to make sure and have the registration renewed once a year.

If you purchase a vehicle in a private transaction with an individual, then you'll be responsible for registering the vehicle on your own. To do so, bring both the title from the previous owner and proof of your Florida auto insurance to the DMV. From there, you can apply for a new title, registration, and license plate for the vehicle.

MAINTAINING YOUR INVESTMENT WITH ACTION GATOR TIRE

All of the hard work, time, and money you put into finding and buying a used vehicle will be for nothing if you don't have a technician that you trust to help you take care of it.

Action Gator Tire has been proudly serving the Orlando, Kissimmee, and Lakeland areas for over 50 years. With more than 20 **locations** across Central Florida, we're committed to always providing you with the same reliable, affordable workmanship and quality service that **our customers** have come to expect from us.

If you live in Central Florida, then we would love to work with you to develop a **maintenance** plan for your vehicle. Doing so not only assures that you minimize the number of unexpected repairs that come up but also helps prolong the life of your vehicle. If you're looking for a **neighborhood mechanic** that you can trust to protect your investment, then Action Gator Tire is here to assist you with all your **auto repair** needs.

RESOURCES

AFFORDABILITY CALCULATORS

Cars.com - <https://www.cars.com/car-affordability-calculator/>

Edmunds - <https://www.edmunds.com/calculators/affordability.html>

Lending Tree - <https://www.lendingtree.com/auto/calculators/affordability/>

TOOLS FOR CHECKING THE MARKET

CKelley Blue Book - <https://www.kbb.com/cpo-cars/> & <https://www.kbb.com/used-cars/>

NADA (National Automobile Dealers Association) Guides - <https://www.nadaguides.com/Cars>

Autotrader - <https://www.autotrader.com/used-cars>

CarGurus - <https://www.cargurus.com/Cars/forsale>

VEHICLE HISTORY TOOLS

Carfax - <https://www.carfax.com/vehicle-history-reports/>

AutoFax - <https://autofax.org/>

VINCheck® from the National Insurance Crime Bureau - <https://www.nicb.org/vincheck>

AutoCheck - <https://www.autocheck.com/vehiclehistory/>

VINSmart - <https://www.vinsmart.com/vehicle-history>

FLORIDA VEHICLE REGISTRATION INFORMATION

Florida Highway Safety and Motor Vehicles Website (FLHSMV) - <https://www.flhsmv.gov>

How to Register a Vehicle in Florida -

<https://www.flhsmv.gov/motor-vehicles-tags-titles/license-plates-registration/motor-vehicle-registrations/>